

CALIFORNIA FRANCHISE TAX BOARD

Internal Procedures Manual

General Tax Audit Manual

14000 REVIEW

The objectives of review are:

- Promote the completion of sustainable quality tax audits,
- Ensure the consistent and accurate application of the tax laws, regulations, policies, and procedures.

GTAM 14100	INFORMAL REVIEW REQUESTS
GTAM 14200	FORMAL REVIEW (PASS)
GTAM 14300	AUDIT SUBJECT TO REVIEW - NOTIFYING TAXPAYER
GTAM 14400	GTA TECHNICAL RESOURCE SECTION (GTA PROGRAM REVIEW)
GTAM 14500	REVIEW NOTES

Reviewed: April 2003

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14100 INFORMAL REVIEW REQUESTS

In an informal review, the case status does not change. The reviewer (lead/supervisor) reviews correspondence before mailing. At any stage in the audit, you may request that your supervisor/lead review a letter, a workpaper, or an entire case.

If the reviewer recommends changes, he or she tells you and enters them in the Event Log. After receiving approval, you should print and send the correspondence to the taxpayer.

Reviewed: April 2003

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14200 FORMAL REVIEW (PASS)

Generally, you should complete all case units in a case before a reviewer reviews it. In certain situations, such as a short Statute, a reviewer may look over one or more case units individually.

Upon completing the audit, indicate clearly the audit determination in the Event Log. The system lets you log multiple determinations sequentially, such as a denial of a claim and a notice, on the same case unit for one year.

Assemble the physical file using this manual's instructions (see GTAM 13260, *Assemble the Physical Case*).

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14300 AUDIT SUBJECT TO REVIEW - NOTIFYING TAXPAYER

Sometimes, a reviewer finds that you have not considered enough facts, or that you should further explore some aspect of the case. When the audit is completed, you should tell the taxpayer or representative that a subsequent review might disclose the need for further development or changes to issues already agreed upon by the taxpayer. *You are responsible* for the accuracy of the audit case and any resulting corrections.

If your report is changed, either by the supervisor or at the reviewer level, you must tell the taxpayer or representative about the revisions.

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14400 GTA TECHNICAL RESOURCE SECTION (GTA PROGRAM REVIEW)

The General Tax Audit Technical Resource Section reviews general tax audit cases. The GTA program includes, but is not limited to, audits involving Personal Income Taxpayers (PIT), General Corporations, Estates & Trusts, and Pass Through Entities (PTE) such as S-Corporations, Limited Liability Companies (LLCs), and Partnerships.

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The information provided in the Franchise Tax Board's internal procedure manuals does not reflect changes in law, regulations, notices, decisions, or administrative procedures that may have been adopted since the manual was last updated

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14500 REVIEW NOTES

GTAM 14510 Sticky Notes

The review notes should provide a better understanding of the case at the next level (i.e., Review, Protest, and Appeals). All review notes should stay with the case.

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14510 Sticky Notes

Only one sticky note is allowed per case unit. However, if a sticky note already exists, the user may add additional comments.

Although the user can enter a large amount of text on a sticky note, try to keep the information concise. You may delete a sticky note once it has served its purpose.

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